**Ombudsman system in Banks**

2464. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) names of public sector banks which have introduced Ombudsman system to redress customers grievances therein;

(b) whether it is a fact that this system has not picked up in the banking sector as was expected;

(c) if so, the reasons therefor; and

(d) remedial measures Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The Ombudsman Scheme as formulated by Reserve Bank of India is applicable inter-alia to all public sector banks. The Reserve Bank of India have so far appointed 11 Ombudsmen at centres which are located at Mumbai, Bhopal, New Delhi, Bangalore, Chandigarh Hyuderabad, Patna, Jaipur, Kanpur, Ghwahati and Bhubaneshwar.

(b) The Banking Ombudsman Scheme came into force from june 1995. The customers response to the Ombudsman Scheme is satisfactory.

(c) and (d) Do not arise in view of (b) above.

**Computerisation of LIC branches in Delhi**

2465. SHRI RAJ NATH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that all branches of LIC in Delhi have been computerised;

(b) if not, by when this will be done;

(c) whether there is any proposal under Government's consideration to allow depositing of premium in any of the branches in Delhi in view of LIC network being computerised; and

(d) if so, by when the sme will be allowed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, sir.

(b) Does not arise.

(c) and (d) The LIC have reported that this facility is expected to be operationalised by 1997-98.

**Interest rates of banks**

2466. SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:
SHRIMATI VEENA VERMA:
SHRI RAJUBHAI A. PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the report in the Times of India, of February, 14, 1997, captioned, "Disinterest Rates";

(b) whether interest rates of banks have been so dismally reduced that they have begun to turn away the depositors;

(c) whether common depositors with their small savings are at witsend and find themselves at barg with bank rates touching the lowest ebb; and

(d) if so, what steps are being taken to safeguard the interest of the small depositors and to encourage small deposits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir.

(b) and (c) Reserve Bank of India (RBI) have reported that in the context of comfortable liquidity position, banks have in the recent period, reduced their dependence on high cost deposits such as certificates of deposits. However, interest rates on savings deposits with banks remain unchanged. As regards term deposits, the present ruling rates as compared with the previous rates show a general lowering of rates offered by banks. Between March 1996 and February 1997, the range of interest rates on domestic term deposits fixed by the public sector banks has declined from 10 to